



## FISCAL MEMORANDUM

### HB 62 - SB 244

February 7, 2023

**SUMMARY OF BILL AS AMENDED (003698):** Requires each teacher in the special school district to: 1) receive an annual compensation rate at the start of the teacher's employment in the special school district that is no less than the average annual compensation rate for teachers in the county in which the respective youth development center is located; 2) be eligible for merit pay, salary increases, bonuses, and other benefits implemented after July 1, 2023, in the same manner as other preferred service employees if the teacher in has completed an annual performance review cycle on or before July 1, 2023; and (3) be eligible for longevity pay. Establishes that this section is not to be construed to reduce the compensation currently paid to a teacher in the special school district.

### FISCAL IMPACT OF BILL AS AMENDED:

**Increase State Expenditures - \$59,600/FY23-24 and Subsequent Years**

**The Governor's proposed budget for FY23-24, on page A-33, includes \$71,800 in recurring state expenditures for this purpose.**

Assumptions for the bill as amended:

- The proposed legislation replaces the current Tenn. Code Ann. § 37-5-119(d) which outlines the pay scale for instructors serving youth development centers in the Special School District, thus moving these instructors from the Teacher Pay Scale (TEA) to the regular Executive Branch Pay Scale (BPP).
- Currently teachers in the special school district are required to receive annual compensation at a rate of 120 percent of the annual compensation in effect in the county in which the respective youth development center is located or one 120 percent of the average of the annual compensation of all the counties that are contiguous with the county.
- Requiring new teachers to receive an annual compensation rate at the start of employment in the special school district that is not less than the average for teachers in that county will authorize some future teachers to start at a lower salary than they otherwise would have.
- The precise decrease, if any, in state expenditures for future teacher's salaries and the timing of such decreases cannot be reasonably determined. However, it is reasonably assumed that teachers' salaries will not be decreased as the proposed legislation

establishes that this act is not to be construed to reduce the compensation currently paid to a teacher in the special school district.

- Teachers in the Special School District would be eligible for merit pay, salary increases, bonuses, and other benefits implemented after July 1, 2023.
- Tennessee Code Annotated § 37-5-119(a) establishes that youth development centers and other qualifying facilities shall be a Special School District and is required to be given the same funding consideration for federal funds that school districts within the state are given.
- Tennessee Code Annotated § 37-5-119(b) further establishes that schools within youth development centers and other facilities in the Special School District shall be under the control of the Commissioner of the Department of Children's Services (DCS).
- Based on DCS staffing information at the Wilder Youth Development Center, it is estimated that six teachers would be eligible for longevity pay and thirteen teachers would be eligible for pay for performance.
- It is estimated that longevity pay for six teachers will increase state expenditures by \$8,298 (6 teachers x \$1,383 average increase) and pay for performance will increase state expenditures by \$51,298 (13 teachers x \$3,946 average increase) per year.
- The total increase in state expenditures is \$59,596 (\$8,298 + \$51,298) in FY23-24 and subsequent years.
- Teachers in the Special School Districts are not employees of the Department of Education (DOE); therefore, there is no impact to DOE.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/ah